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FM DFAS INDIANAPOLIS IN//ADIP//

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INFO DFAS INDIANAPOLIS IN//ADIP//

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SUBJ/FY06 YEAR-END INSTRUCTIONS FOR DEFENSE AGENCY (TI97)PROPERTY REPORTING FOR AUDITED FINANCIAL STATEMENTS (ACCTG POL IMPL MSG 06-40)

A. MEMO, DFAS-IN, FISCAL YEAR-END ACCOUNTING AND REPORTING INSTRUCTIONS FOR FUNDS EXECUTED BY DEFENSE AGENCIES, JUNE 20, 2006.

B. DODFMR, DOD 7000.14-R, VOL 4, CH 6, PROPERTY, PLANT AND EQUIPMENT, JULY, 2006.

C. DODFMR, DOD 7000.14-R, VOL 6B, FORM AND CONTENT OF DOD AUDITED FINANCIAL STATEMENTS, JANUARY, 2006.

1. MSG PROVIDES GUIDANCE FOR DEFENSE AGENCY (TI 97) PROPERTY ACCOUNTING AND REPORTING IAW REF A, B, AND C. REFERENCES ARE AVAILABLE ON THE INTERNET; REF A AT ([HTTP:// WWW.ASAFM.ARMY.MIL/BUDGET/DI/DI.ASP](http://www.asafm.army.mil/budget/di/di.asp))AND REF B AND C AT

([HTTP://WWW.DOD.MIL/COMPTROLLER/FMR](http://www.dod.mil/comptroller/fmr)). INFORMATION REQUIRED COMPRISES GENERAL LEDGER TRIAL BALANCE REPORTS, OTHER REQUIRED INFORMATION FOR GENERAL PROPERTY PLANT & EQUIPMENT (GEN PP&E), INVENTORY, OPERATING MATERIALS AND SUPPLIES, DEPRECIATION, REQUIRED SUPPLEMENTARY STEWARDSHIP INFORMATION REPORTING (RSSI) AND REQUIRED SUPPLEMENTARY INFORMATION REPORTING (RSI).

2. GENERAL LEDGER TRIAL BALANCES REPORT GEN PP&E, INVENTORY, OPERATING LEASES, ENVIRONMENTAL LIABILITIES, CAPITAL LEASE LIABILITIES AND OPERATING MATERIALS AND SUPPLIES.

A. TO RECAP, ACCOUNTABLE OFFICERS REPORT END-OF-PERIOD PROPERTY DOLLAR BALANCES MEETING THE FINANCIAL CAPITALIZATION THRESHOLD AND ASSOCIATED DEPRECIATION TO SUPPORTING ACCOUNTING ACTIVITIES FOR INCLUSION IN THE GENERAL LEDGER AS OF SEPTEMBER 30, 2006, WITH SUBSEQUENT TRIAL BALANCE REPORTING TO DFAS INDIANAPOLIS. ALSO, ACCOUNTABLE OFFICERS CERTIFY ACCURACY OF AMOUNTS REPORTED. WITH THE EXCEPTION OF REAL PROPERTY, THE CURRENT CAPITALIZATION THRESHOLD FOR FINANCIAL REPORTING OF GEN PP&E, IS 100 THOUSAND DOLLARS PER ITEM HAVING AN ESTIMATED USEFUL LIFE OF TWO YEARS OR MORE. EFFECTIVE WITH OUSD@ MEMORANDUM, SUBJECT: CAPITALIZATION THRESHOLD POLICY FOR REAL PROPERTY, DATED MARCH 13, THE CAPITALIZATION THRESHOLD FOR REAL PROPERTY IS REVISED FROM \$100,000 TO \$20,000. FOR DEFENSE WORKING CAPITAL FUND (DWCF) GEN PP&E, CONTINUE TO REPORT ASSETS PREVIOUSLY CAPITALIZED AT LOWER THRESHOLDS (E.G., 50, 25, 15, 5 THOUSAND DOLLARS) AS WELL AS THE ASSOCIATED DEPRECIATION. THE CAPITALIZATION THRESHOLD IS NOT APPLICABLE FOR INVENTORY OR OPERATING MATERIALS AND SUPPLIES (SEE REF B).

B. GPP&E ASSETS ALSO INCLUDE REAL PROPERTY (BUILDINGS AND ASSOCIATED LAND) WHERE THE REPORTING AGENCY IS THE PRIMARY USER OF THE FACILITY, CONSTRUCTION IN PROGRESS, CAPITAL LEASES, LEASEHOLD IMPROVEMENTS, MAINFRAME COMPUTERS, AND INTERNAL USE SOFTWARE. AGENCIES CONTROLLING REAL PROPERTY MUST COORDINATE WITH THE MILITARY SERVICE RESPONSIBLE FOR THE PROPERTY ACCOUNTABILITY TO DETERMINE THE VALUE OF REAL PROPERTY FOR FINANCIAL STATEMENT REPORTING (SEE REF B).

C. IAW THE PREPONDERANT USE POLICY (REF B, PARA 060105.B), AND TO AVOID ANY DUPLICATE REPORTING OF PROPERTY, VERIFY THE RELIABILITY OF REAL AND PERSONAL PROPERTY BALANCES BEING REPORTED UNDER TI 97 APPROPRIATIONS WITH ARMY LIMITS.

D. REPORT YEAR-END GENERAL LEDGER TRIAL BALANCES AND SUPPORTING NOTES IAW REF A, NLT OCTOBER 4, 2006, TO DFAS INDIANAPOLIS.

E. POC FOR GENERAL LEDGER REPORTING IS, DEFENSE AGENCY AFS DIVISION, 317-510-5556, OR, 317-510-5559, AND POC FOR FILE TRANSFER PROTOCOL (FTP), IS, DEFENSE AGENCY BUDGET EXECUTION REPORTS DIVISION, 317-510-5474.

3. OTHER REQUIRED INFORMATION (ORI) FOR GEN PP&E, INVENTORY, OPERATING MATERIALS AND SUPPLIES, AND ACCUMULATED DEPRECIATION (SEE REF C). DEFENSE AGENCIES SHALL PROVIDE THIS SUPPLEMENTAL INFORMATION TO DFAS INDIANAPOLIS FOR USE IN PREPARING THE AUDITED FINANCIAL STATEMENTS AND FOOTNOTE NARRATIVE. TO FACILITATE REPORTING OF THIS INFORMATION, THE DEFENSE DEPARTMENTAL REPORTING SYSTEM (DDRS) DATA COLLECTION MODULE (DCM), IS AVAILABLE FOR USE BY ALL DOD REPORTING ENTITIES DURING THE 21 DAY REPORTING PERIOD. THIS MODULE IS INCORPORATED INTO THE DDRS AND DEFENSE AGENCIES ARE REQUIRED TO USE THE DCM FOR REPORTING ORI. COMPLETE THE DDRS-DCM INPUT NLT OCTOBER 4, 2006. NEGATIVE REPORTS ARE REQUIRED FROM DEFENSE AGENCY (TI 97) REPORTERS USING THE NARRATIVE INFORMATION SECTION OF THE DCM.

A. POC FOR DDRS-DCM TECHNICAL INFORMATION AND SYSTEM ACCESS IS, 703-607-5716 OR 703-604-3964, DDRS PROGRAM MANAGEMENT OFFICE, DFAS ARLINGTON, AND 850-453-4141, DDRS HELP DESK.

B. POC FOR DDRS-DCM IMPLEMENTATION GUIDANCE AND SUPPORT IS, DEFENSE AGENCY AFS DIVISION, 317-510-5618, OR 317-510-5554.

4. REQUIRED SUPPLEMENTARY STEWARDSHIP INFORMATION REPORTING (SEE CHAPTER 11, REF C). INFORMATION IS REQUIRED IN QUANTITIES FOR HERITAGE ASSETS AND STEWARDSHIP LAND. ALSO, INFORMATION IS REQUIRED ON STEWARDSHIP INVESTMENTS FOR NONFEDERAL PHYSICAL PROPERTY AND RESEARCH, DEVELOPMENT, TESTING AND EVALUATION (RDT&E).

A. REPORT THE NUMBER OF HERITAGE ASSETS, ADDITIONS, AND DELETIONS IAW CHAPTER 11, FIGURE 11-1, REF C. HERITAGE ASSETS ARE ITEMS THAT HAVE HISTORICAL, CULTURAL, EDUCATIONAL, OR ARTISTIC SIGNIFICANCE, OR ITEMS WITH SIGNIFICANT ARCHITECTURAL CHARACTERISTICS.

B. REPORT THE ACRES AND CONDITION OF STEWARDSHIP LAND WHERE THE AGENCY IS THE PRIMARY USER IAW CHAPTER 11, FIGURE 11-2, REF C. STEWARDSHIP LAND IS LAND THAT WAS PREVIOUSLY PUBLIC DOMAIN OR DONATED TO DOD. GENERALLY, ALL STEWARDSHIP LAND IS IN THE MISSION ASSET CATEGORY. CONSEQUENTLY, THERE MIGHT NOT BE DEFENSE AGENCY STEWARDSHIP LAND TO REPORT.

C. REPORT INVESTMENTS IN NONFEDERAL PHYSICAL PROPERTY IAW CHAPTER 11, FIGURE 11-3, REF C. THE EXPENSES INCLUDED IN CALCULATING THE NET COST OF INVESTMENTS IN NON-FEDERAL PHYSICAL PROPERTY (INPP) PROGRAMS SHALL BE DISCLOSED FOR THE CURRENT YEAR AND THE PRECEDING 4 YEARS. DATA FOR ADDITIONAL YEARS ALSO MAY BE REPORTED IF SUCH DATA WOULD PROVIDE A BETTER INDICATION OF THE NATURE OF THE INVESTMENT. A NARRATIVE STATEMENT SHALL BE INCLUDED IN THE REPORT WHICH CONTAINS A DESCRIPTION OF THE CATEGORIES AND PROGRAMS.

D. REPORT INVESTMENTS IN RESEARCH AND DEVELOPMENT (R&D) PROGRAMS, IAW CHAPTER 11, FIGURE 11-4, REF C. PROVIDE A SCHEDULE THAT IDENTIFIES ALL R&D OUTLAYS FOR THE CURRENT YEAR AND FOUR PRECEDING YEARS. INFORMATION CAN BE DERIVED FROM THE BUDGET EXECUTION 1002 REPORT. INCLUDE A NARRATIVE DESCRIPTION FOR TWO SIGNIFICANT PROGRAMS IN EACH OF THE THREE MAJOR CATEGORIES AND MAJOR EFFORTS ACCOMPLISHED WITHIN THESE PROGRAMS.

E. FOR POLICY QUESTIONS ON STEWARDSHIP REPORTING, CONTACT, OUSD(AT&L), PP&E PROGRAM MANAGEMENT OFFICE, 703-604-6350.

F. REPORT THE REQUIRED SUPPLEMENTARY STEWARDSHIP INFORMATION IAW CHAPTER 11, REF C. DEFENSE AGENCIES ARE REQUIRED TO USE THE DCM FOR REPORTING RSSI. COMPLETE THE DDRS-DCM INPUT NLT OCTOBER 4, 2006. NEGATIVE REPORTS ARE REQUIRED FROM DEFENSE AGENCY (TI 97) REPORTERS USING THE NARRATIVE INFORMATION SECTION OF THE DCM.

5. REQUIRED SUPPLEMENTARY INFORMATION (DEFERRED MAINTENANCE), (SEE CHAPTER 12, REF C). REPORT MATERIAL AMOUNTS OF DEFERRED MAINTENANCE OF MILITARY EQUIPMENT CONSISTENT WITH THE AMOUNTS REPORTED IN THE BUDGET AND ANNUAL DEFERRED SUSTAINMENT OF REAL PROPERTY USING THE FACILITIES SUSTAINMENT MODEL AND BUDGETED AMOUNTS. INCLUDE A NARRATIVE DESCRIBING THE METHOD USED TO DETERMINE THE ESTIMATED AMOUNTS.

A. POC FOR POLICY QUESTIONS ON DEFERRED MAINTENANCE REPORTING IS, OUSD(AT&L), PP&E PROGRAM MANAGEMENT OFFICE, 703-604-6350.

B. REPORT DEFERRED MAINTENANCE INFORMATION IAW CHAPTER 12, TABLES 12-3, 12-4, AND FIGURE 12-1 (REF C). DEFENSE AGENCIES ARE REQUIRED TO USE THE DCM FOR REPORTING RSI (DEFERRED MAINTENANCE). COMPLETE THE DDRS-DCM INPUT NLT OCTOBER 4, 2006. NEGATIVE REPORTS ARE REQUIRED FROM DEFENSE AGENCY (TI 97) REPORTERS USING THE NARRATIVE INFORMATION SECTION OF THE DCM.

C. POC FOR DEFERRED MAINTENANCE REPORTING AND DCM SUPPORT IS, DEFENSE AGENCY AFS DIVISION, 317-510-5618, OR, 317-510-5554.

6. MSG POC, ACCOUNTING PROCEDURES, 317-510-4069.//

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